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Government  
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1953 BUDGET FOR NEWFOUNDLAND  
INSHORE FISHING CREWS AND FAMILIES



DEPARTMENT OF FISHERIES OF CANADA  
MARKETS & ECONOMICS SERVICE  
PRODUCTION ECONOMICS  
SECTION

AUGUST 28TH., 1953.



1953 BUDGET FOR NEWFOUNDLAND  
INSHORE FISHING CREWS AND FAMILIES

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## 1953 BUDGET FOR NEWFOUNDLAND INSHORE FISHING CREWS AND FAMILIES

### SUMMARY

#### 1. Source of Data

A survey of Newfoundland inshore fishermen's operating and living costs was carried out in 1950. The material from this survey, supplemented by data on price changes in costs of production and family living, form the basic data upon which the 1953 budget is set up.

#### 2. Assumptions

It is assumed that the level of living and the level of input of materials, labour and services in production, has remained unchanged between the time of the survey and 1953.

#### 3. Setting up the Budget

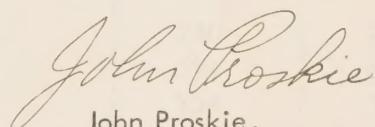
Attached tables indicate the method in setting up the budget and summarize the production and family living data.

#### 4. Findings

The overall relative changes from April 1950 to April 1953 indicate that fishermen's cash operating costs have increased by 14.1% and the cash cost of living to fishing families has increased by 7.0%.

#### 5. Conclusions

To maintain the average 1949-1950 level of living and level of production at current costs would require a price to fishermen of \$11.05 per quintal of dried salted cod in 1953.



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Table 1

FISHING CREW PRODUCTION AND DISTRIBUTION  
NEWFOUNDLAND INSHORE FISHERY  
AVERAGE PER CREW - 148 CREWS

		Survey Two-Year Average 1949-1950	1953 Budget
1.	Number of men per crew	3.3	3.3
2.	Production in quintals per crew	163	163
3.	Production in quintals per man	50	50
4.	<u>FISH RECEIPTS</u>		
5.	Cod, dried salted	1,826	1,895
6.	" wet salted	2	2
7.	" green	129	129
8.	" oil and livers	107	107
9.	Sub-total cod sales	<u>2,064</u>	<u>2,133</u>
10.	Salmon	69	69
11.	Lobster	35	35
12.	Other Fish sales	93	93
13.	Cash Fish Sales (9+10+11+12)	<u>2,261</u>	<u>2,330</u>
14.	Bait	33	33
15.	Total Fish Receipts (13+14)	<u>2,294</u>	<u>2,363</u>
16.	<u>EXPENDITURES</u>		
17.	Maintenance and repairs	136	172
18.	Other operating expenses	353	386
19.	Sub-total (17+18)	<u>489</u>	<u>558</u>
20.	Total Cash Returns To Crew		
21.	To sharemen	240	240
22.	To partners	908	908
23.	To skippers	657	657
24.	Sub-total (21+22+23)	<u>1,805</u>	<u>1,805</u>
25.	Total Expenditures (19+24)	<u>2,294</u>	<u>2,363</u>
26.	<u>CASH RETURNS TO CREW APPLIED TO:</u>		
27.	Net cash crew shares		
28.	To sharemen	240	240
29.	To partners	594	594
30.	To skippers	354	354
31.	Sub-total crew shares	<u>1,188</u>	<u>1,188</u>
32.	Net partnership returns		
33.	To partners	282	282
34.	To skippers	223	223
35.	Sub-total N.P.V. (33+34)	<u>505</u>	<u>505</u>
36.	Net Capital Expenditures		
37.	By partners	32	32
38.	By skippers	80	80
39.	Sub-total (37+38)	<u>112</u>	<u>112</u>
40.	Total Cash Returns To Crew (31+35+39)	<u>1,805</u>	<u>1,805</u>

NOTE: Composition of 148 fishing crews for the two-year average was 148 skippers; 235 partners and 106 sharemen.



Table 2

FISHING CREW PRODUCTION EXPENSES  
NEWFOUNDLAND INSHORE FISHERY  
AVERAGE PER CREW - 148 CREWS

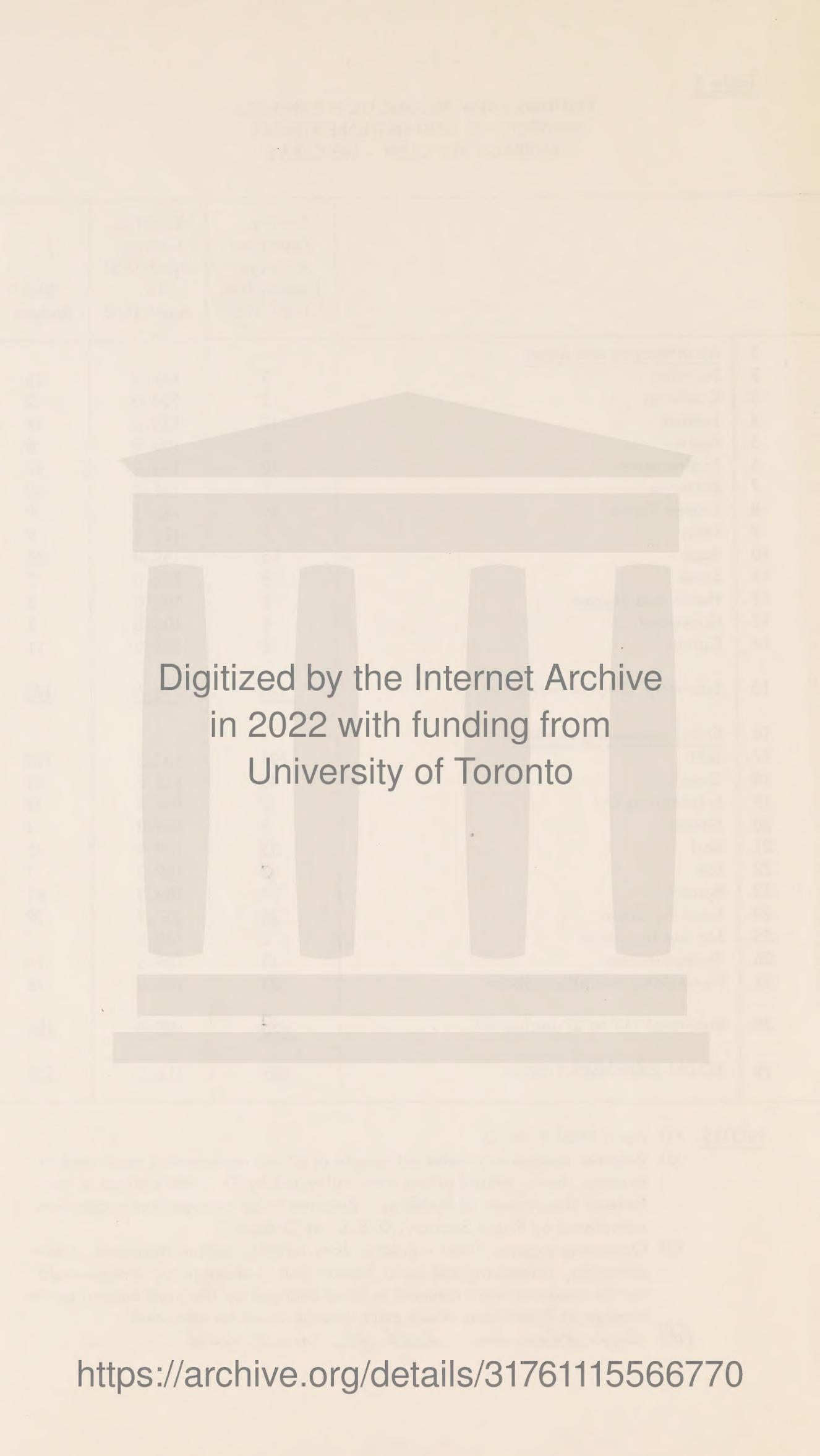
		Survey Two-Year Average Expenditure 1949-1950	Relative Change April 1950 To April 1953	1953 Budget
1.	<u>Maintenance and Repair</u>			
2.	Painting	9	141.9	13
3.	Caulking	2	100.0	2
4.	Lumber	12	133.3	16
5.	Nails	6	100.0	6
6.	Engine parts	10	120.3	12
7.	Batteries	9	116.1	10
8.	Cotton Twine	49	120.2	59
9.	Nets	7	125.1	9
10.	Rope	15	152.0	23
11.	Lines	5	123.0	7
12.	Hooks and Jiggers	3	100.0	3
13.	Corkwood	1	106.2	1
14.	Cutch	8	146.2	11
15.	Sub-total (2 to 14 inclusive)	<u>136</u>	<u>126.5</u>	<u>172</u>
16.	<u>Other Operating Expenses</u>			
17.	Salt	121	105.3	127
18.	Gasoline	45	113.6	51
19.	Lubricating Oil	12	102.3	12
20.	Grease	1	109.3	3
21.	Bait	35	120.8	43
22.	Ice	9	109.3	1
23.	Rentals	74	109.3	81
24.	Food for Crew	26	107.7	28
25.	Marine Insurance	2	109.3	2
26.	Transportation	13	109.3	14
27.	Fishmaking and other labour	24	109.3	26
28.	Sub-total (17 to 27 inclusive)	<u>353</u>	<u>109.0</u>	<u>386</u>
29.	TOTAL EXPENSES (15+28)	<u>489</u>	<u>114.1</u>	<u>558</u>

NOTES: (1) April 1950 = 100.0

(2) Relative change of a selected sample of prices representing each type of expense item. Actual prices were collected by St. John's office of the Federal Department of Fisheries. Relative price changes and projections calculated by Prices Section, D.B.S. at Ottawa.

(3) Operating expense items - grease, ice, rentals, marine insurance, transportation, fishmaking and other labour costs - whose price change could not be measured were assumed to have changed by the same amount as the average of those items whose price change could be measured.

(4) Less than one-half the unit used



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Table 3

FISHING FAMILY INCOME  
NEWFOUNDLAND INSHORE FISHERY  
AVERAGE PER FAMILY - 148 FAMILIES

		Survey Two-Year Average 1949-1950	1953 Budget
1.	Number of persons per family	4 9	4 9
2.	<b>CASH FISHING INCOME</b>		
3.	Skipper (Head of household)	657	657
4.	Other members of household	271	27
5.	Sub-total (3+4)	928	928
6.	Other Cash Income		
7.	Government transfers	195	25
8.	Private transfers	4	4
9.	Sale of agricultural produce	14	16
10.	Forestry	21	25
11.	Skilled labour	41	48
12.	Unskilled labour	26	108
13.	Investment income	14	14
14.	Sub-total (7 to 13 inclusive)	385	410
15.	Total cash income (5+14)	1,313	1,338
16.	<b>Non-cash Income</b>		
17.	Fish	24	24
18.	Garden Produce and Fruit	51	61
19.	Meat (Domestic & wild)	43	44
20.	Dairy and poultry produce	27	30
21.	Sub-total (17 to 20 inclusive)	145	159
22.	Other non-cash		
23.	Firewood	57	63
24.	Other (wool, leather, etc.)	2	2
25.	Sub-total (23+24)	59	65
26.	Total Non-cash Income (21+25)	204	224
27.	<b>TOTAL INCOME (15+26)</b>	1,517	1,562

- NOTES: (1) The average fishing income was earned by 148 skippers, 77 partners and 29 sharemen who belonged to the same family households
- (2) 1953 budget incomes for: agricultural produce was adjusted to N.S. index which was 198.1 in April 1950 and 226.0 in April 1953; earnings in forestry were adjusted to changes in weekly wage earnings in Newfoundland lumbering industry - in April 1950 weekly earnings were \$44.63 and in April 1953 these were \$53.13; skilled labour earnings in Newfoundland in October 1951 were \$1.00 per hour and in October 1952 these were \$1.16 per hour; unskilled labour for same periods in Newfoundland were \$0.77 per hour and \$0.87 per hour
- (3) Non-cash income adjusted to April 1950-April 1953 value changes



Table 4

FISHING FAMILY EXPENDITURES  
NEWFOUNDLAND INSHORE FISHERY  
AVERAGE PER FAMILY - 148 FAMILIES

		Survey Two-Year Average 1949-1950	Relative Change April 1950 to April 1953	1953 Budget
1	Number of persons per family	4.9	4.9	4.9
2.	<b>CASH EXPENDITURES</b>			
3.	Food			
4.	Dairy products	44	111.4	49
5.	Cereals	113	104.4	118
6.	Meat & Fish	146	101.4	148
7.	Other groceries	160	107.5	172
8.	Vegetables	42	133.3	56
9.	Fruits	51	109.8	56
10.	Sub-total food (4 to 9 inclusive)	556	107.7	599
11.	Clothing	230	106.1	244
12.	Home furnishings and services	86	106.4	92
13.	Fuel and Light	63	110.1	69
14.	House maintenance	29	107.1	31
15.	Miscellaneous	117	104.6	122
16.	Total cash living (10 to 15 inclusive)	1,081	107.0	1,157
17.	Other cash expenses	26	99.0	25
18.	Life insurance	12		12
19.	Fishing capital expenditures	101		101
20.	Other capital expenditures	4		4
21.	Sub-total (17 to 20 inclusive)	143		142
22.	<b>TOTAL CASH EXPENDITURES (16 + 21)</b>	1,224		1,299
23.	<b>Non-cash expenditures</b>			
24.	Food	145	109.7	159
25.	Other	59	110.2	65
26.	Sub-total (24 + 25)	204	109.8	224
27	<b>TOTAL EXPENDITURES (22 + 26)</b>	1,428		1,523

NOTES: (1) Relative changes April 1950 to April 1953 calculated by the Prices Section, Dominion Bureau of Statistics. For food the relative price change is for a specific quality of a representative item in each of the 34 classes included in the fishermen's budget as determined by survey carried out by Federal Department of Fisheries.

(2) For other groups relative change April 1950 to June 1951 based on Department of Supply's Cost-of-Living Index data; relative change June 1951 to April 1953 based on Dominion Bureau of Statistics, St. John's, Cost-of-Living Index data. Relative price changes calculated by Prices Section, Dominion Bureau of Statistics.



Table 5

FISHING FAMILY "BREAK-EVEN" POINT INCOME  
NEWFOUNDLAND INSHORE FISHERY  
AVERAGE PER FAMILY - 148 FAMILIES

		Survey Two-Year Average 1949-1950	1953 Budget
1.	Total family income (Table 3, line 27)	1,517	1,562
2.	Total family expenditure (Table 4, line 27)	1,428	1,523
3.	Surplus (1-2)	+ 89	+ 39
4.	Break-even point in total family income (1-3)	1,428	1,523
5.	Non-cash income (Table 3, line 26)	204	224
6.	Break-even point in cash family income (4-5)	1,224	1,299
7.	Actual cash family income (Table 3, line 15)	1,313	1,338
8.	Extra cash required to get B.E.P. in cash income (6-7)	-89	-39
9.	<u>Shift to Dried Salted Cod Fish Prices</u>		
10.	Cash family income from fishing (Table 3, line 5)	928	928
11.	Cash family fish income required for B.E.P. (10-3)	839	889
12.	% dried cod sales of total fish sales (Table 1-5 + 13)	81	81
13.	Cash family income from dried salted cod (10 x 12)	752	752
14.	Cash income required from dried salted cod to get break-even point (13-8)	663	713
15.	Ratio necessary to actual (14 ÷ 13) %	88	95
16.	Average sale price of dried salted cod per Q	11.17	11.63
17.	Average price per Q necessary for B.E.P. (15 x 16)	9.83	11.05
18.	Actual output per crew in Q to get B.E.P.	163	163
19.	Actual output per man in Q to get B.E.P.	50	50
20.	At prices	9.83	11.05
21.	Necessary output per crew in Q to get B.E.P. (18 x 15)	143	155
22.	Necessary output per man in Q to get B.E.P. (19 x 15)	44	48
23.	At prices	11.17	11.63

NOTE: The "break-even" point is a point at which the average fishing family is able to balance its current income with current expenditures including necessary capital expenditures to cover depreciation and depletion at existing standards of living for Newfoundland inshore fishermen. This in 1949 equalled to about 41% of the Canadian average.

The fishing capital expenditures (to offset depreciation and depletion) are required to produce a family income, consequently these have a claim upon income and must be reckoned in the budget.





